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**annual
report
december 31
1967**

**the northern life
assurance company of canada**

board of directors

G. EDWARD HALL, M.D., Ph.D.

Chairman of the Board
The Northern Life Assurance Company of Canada
Director
International Business Machines Co. Ltd., (Canada)

H. LINDEN SHARPE, F.S.A., F.C.I.A.

President and Managing Director
The Northern Life Assurance Company of Canada

R. M. IVEY, Q.C.

Vice-President
The Northern Life Assurance Company of Canada
Partner, Ivey & Dowler
Director, Bank of Montreal

L. F. STEVENS, F.C.A.

Vice-President
The Northern Life Assurance Company of Canada
Executive Vice-President
Allpak Products Limited

W. J. BLACKBURN

President and Publisher
London Free Press Printing Company Limited

F. W. P. JONES

Professor of Business Administration
University of Western Ontario

COL. J. GORDON THOMPSON, C.D.

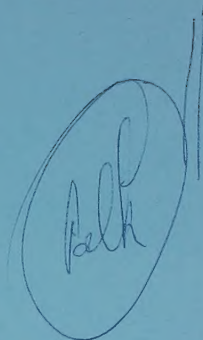
Chairman of the Board
Supertest Petroleum Corporation Limited

D. D. C. McGEACHY

Business Consultant

LIEUT.-COL. D. B. WELDON, M.C., E.D., LL.D.

Honorary Chairman of the Board
Midland-Osler Securities Limited

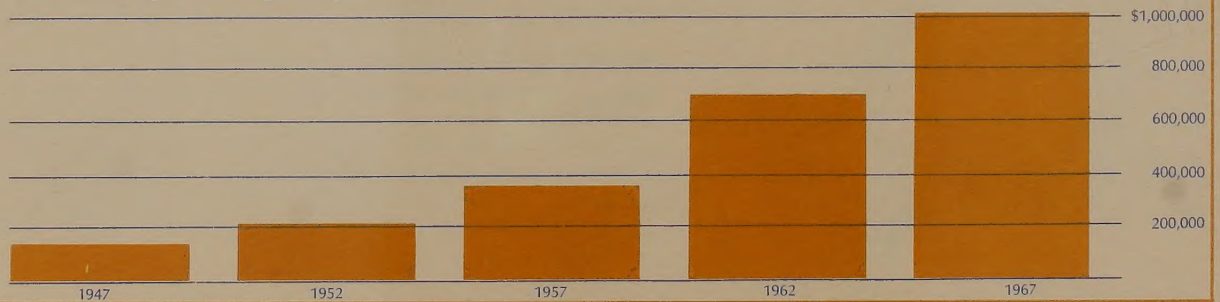




**thirty-seven offices
serving policyholders in canada
and in the state of michigan**

The Northern Life Assurance Company of Canada maintains modern, conveniently located branch offices in the principal centres of Canada and the State of Michigan to provide service to our thousands of policyholders.

dividends paid to policyholders



directors' report

The Directors present herewith their report for 1967 and the financial statement.

INSURANCES

New business, excluding annuities, settled in 1967 amounted to \$96,078,821. Business in force, excluding annuities, at the end of 1967 totalled \$546,127,294.

ASSETS AND LIABILITIES

Assets were increased by \$4,644,346 and now amount to \$81,860,522. The percentage distribution of assets was substantially the same at the end of 1967 as at the end of the previous calendar year.

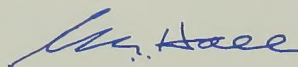
The investment reserve and unallocated surplus now amount to \$14,105,865.

REVENUE ACCOUNT

Premium and investment income both showed substantial increases during the year. The improvement from these sources was more than offset by an increase in expenses and a higher mortality experience than in 1966. A substantial part of the increased expenses, however, is non-recurring.

\$100,000 was transferred to Investment Reserve, and the remaining balance of \$1,035,833 was transferred to Unallocated Surplus.

The results attained during the past year are continuing evidence of the loyalty and cooperation of the Officers, Staff, and Representatives. The Board of Directors extend their appreciation to all concerned.



Chairman of the Board



President and Managing Director

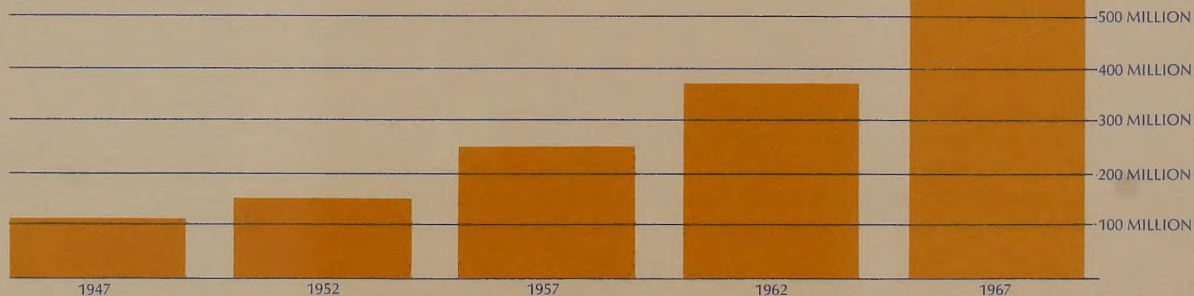
(with comparative amounts for the year ended December 31, 1966)

ASSETS

		1967	1966
Debentures of or guaranteed by federal governments and the provinces of Canada	\$ 8,956,758		
Municipal, public utility, industrial and miscellaneous bonds and debentures	31,624,258		
Preferred and common stocks	<u>1,959,202</u>	\$42,540,218	\$39,657,811
First mortgages on real estate and agreements of sale:			
Mortgages	30,815,865		
Agreements of sale	<u>6,595</u>	30,822,460	29,267,951
Loans on policies (fully secured by cash surrender values)		4,512,410	4,129,671
Real estate:			
Head office premises	1,430,536		
Properties held for investment	<u>983,801</u>	2,414,337	2,370,916
Cash on hand and in banks		259,104	547,588
Interest accrued but not yet due		850,406	787,005
Insurance and annuity premiums in course of collection (net)		<u>461,587</u>	<u>455,234</u>
		<u>\$81,860,522</u>	<u>\$77,216,176</u>

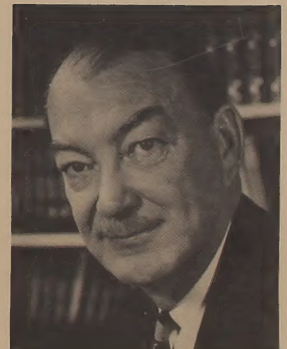
Note: The values at which the debentures, bonds and stocks are shown are not in excess of amortized cost but in the aggregate exceed the values permitted by the Canadian and British Insurance Companies Act by approximately \$1,125,000 against which the company carries investment reserves of \$1,800,000.

growth of insurance in force



G. EDWARD HALL, M.D., Ph.D.
Chairman of the Board

Dr. G. Edward Hall is well known for his prominence in education, business, and medical research. Until recently he served for twenty years as President and Vice Chancellor of the University of Western Ontario. During wartime he was in charge of Aviation Medicine for the R.C.A.F.. Among his many forms of Public Service he has served with distinction on the National and Ontario Research Councils, the Association of Universities and Colleges of Canada, and the Canada Council.





**H. LINDEN SHARPE, F.S.A., F.C.I.A.
President and Managing Director**

Mr. H. Linden Sharpe became associated with the Northern Life Assurance Company of Canada in 1932 in charge of Head Office underwriting. He became successively Actuary of the Company, General Manager, a Director, and in 1960 was elected President and Managing Director. In 1938 he obtained the Fellowship degree in the Society of Actuaries of America. He holds the distinction of being elected to the Presidency of the Canadian Life Insurance Association for the year 1964-65.

benefits paid to policyholders and beneficiaries in 1967

Policy Benefits paid to living Policyholders in 1967 (exclusive of policy dividends)	\$2,631,473
Policy Benefits paid as a result of Death & Disability Claims in 1967	1,829,770
Money added in 1967 to reserves for future benefit payments to policyholders	<u>3,003,711</u>
	<u><u>\$7,464,954</u></u>

e sheet

31, 1967

year ended December 31, 1966)

LIABILITIES

		1967	1966
Policy reserves which, with interest and future premiums, are to provide for insurance and annuity claims as they fall due.....		\$56,529,857	\$53,891,434
Other obligations to policyholders and beneficiaries:			
Policy proceeds left on deposit and premiums paid in advance.....	\$ 6,646,403		
Policy claims awaiting proof.....	739,506		
Provision for unreported claims.....	61,000		
Provision for policy dividends payable in 1968 and subsequent years.....	<u>1,099,103</u>	8,546,012	7,689,850
Other liabilities:			
Staff and agents, pension fund.....	1,349,657		
Sundry amounts due and accrued.....	<u>323,894</u>	<u>1,673,551</u>	<u>1,573,780</u>
Total liabilities to policyholders beneficiaries and others.....		66,749,420	63,155,064
Additional protection for policyholders and beneficiaries:			
Capital stock beginning of year.....	350,000		
Add amount called during year.....	<u>300,000</u>		
	650,000		
Shareholders' surplus.....	355,237		
Investment reserve.....	1,800,000		
Unallocated surplus.....	<u>12,305,865</u>	<u>15,111,102</u>	<u>14,061,112</u>
		<u>\$81,860,522</u>	<u>\$77,216,176</u>

AUDITORS' REPORT

To the Shareholders and Policyholders of
The Northern Life Assurance Company of Canada.

We have examined the balance sheet of The Northern Life Assurance Company of Canada at December 31, 1967 and the statement of revenue and unallocated surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. The liability to provide for payments guaranteed under insurance and annuity contracts, the dividends to be paid to policyholders and the staff and agents' pension funds were determined and certified by the company's actuary.

Based upon our examination and the certificate of the company's actuary, we report that in our opinion the accompanying balance sheet and statement of revenue and unallocated surplus present fairly the financial position of the company as at December 31, 1967 and the results of its operations for the year ended on that date.

London, Canada.
January 18, 1968.

(Signed) CLARKSON, GORDON & CO.
Chartered Accountants.

statement of revenue and unallocated surplus

YEAR ENDED DECEMBER 31, 1967

(with comparative amounts for the year ended December 31, 1966)

REVENUE:

	1967	1966
Gross premium income	\$ 8,696,500	\$ 8,208,041
Less: Dividends to policyholders	<u>1,082,755</u>	<u>1,016,904</u>
Net premium income	7,613,745	7,191,137
Interest, dividends and rents	<u>4,772,394</u>	<u>4,463,696</u>
	<u>12,386,139</u>	<u>11,654,833</u>

AMOUNTS PAID OUT OR SET ASIDE:

For policyholders or beneficiaries—		
Death and disability claims	1,829,770	1,374,560
Matured endowments, cash surrender values, annuity and other payments	2,631,473	2,769,653
Interest credited to amounts on deposit, etc.	365,288	301,596
Increase in policy reserves to provide for future claims	<u>2,638,423</u>	<u>2,410,099</u>
	7,464,954	6,855,908
Expenses—		
Head office	877,239	740,694
Agency	2,182,041	1,968,412
Other	566,099	455,560
Depreciation of head office premises	25,000	25,000
Taxes and licences	<u>251,614</u>	<u>236,019</u>
	<u>11,366,947</u>	<u>10,281,593</u>

SURPLUS EARNINGS FOR THE YEAR

Add profit on sale of investments (net)	172,118	249,181
Less amounts written off book value of assets	<u>13,008</u>	<u>98,031</u>
	159,110	151,150
	<u>1,178,302</u>	<u>1,524,390</u>

APPROPRIATIONS:

Amount transferred to investment reserve	100,000	100,000
Amount transferred to shareholders' surplus (before provision for income taxes)	192,469	177,900
Release of contingency reserve	<u>(150,000)</u>	
	142,469	277,900

ADDITION TO UNALLOCATED SURPLUS FOR THE YEAR

Balance at beginning of year	<u>11,270,032</u>	<u>10,023,542</u>
BALANCE OF UNALLOCATED SURPLUS AT END OF YEAR	<u>\$12,305,865</u>	<u>\$11,270,032</u>



GEOFFREY HORROCKS,
F.S.A., F.C.I.A.
Vice-President and Chief Actuary

Mr. Geoffrey Horrocks was educated in England, graduating from Corpus Christi College, Oxford. After two years' actuarial experience with a company in England, he joined the Actuarial Department of the Northern Life Assurance Company in 1956 and following successive advancements, became Actuary and Assistant General Manager. In 1967 he was appointed Vice-President and Chief Actuary.

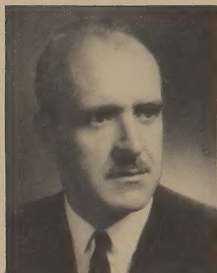
ance Company in 1956 and following successive advancements, became Actuary and Assistant General Manager. In 1967 he was appointed Vice-President and Chief Actuary.



R. M. IVEY, Q.C.
Vice-President - General Counsel

Mr. Richard M. Ivey is a graduate of the University of Western Ontario and Osgoode Hall. He entered the legal firm of Ivey and Dowler and is a Senior Partner. Mr. Ivey is a member of the Advisory Boards of both St. Joseph's Hospital and the University of Western Ontario and a member of the Board of Governors of Ridley College. He became a Director of The Northern Life Assurance Company in 1955 and Vice-President in 1960.





MURROUGH O'BRIEN, C.L.U.
Vice-President and
Director of Agencies

Mr. Murrough O'Brien graduated from Upper Canada College, Toronto and, after serving as an officer with the Canadian Armed Forces, entered the life insurance business. He joined the Northern Life Assurance Company in 1947 as Agency Manager in Hamilton

and a year later moved to London as Agency Manager. He was appointed Director of Agencies in 1962 and Vice-President and Director of Agencies in 1967.



L. F. STEVENS, F.C.A.
Vice-President - Finance

Mr. Lloyd F. Stevens became associated with Clarkson, Gordon & Company, and after returning from service overseas with the Canadian Army, rejoined the firm, advancing to the position of Partner. In 1962 he joined Allpak Products Ltd., as Executive Vice-President. Some of Mr. Stevens' outside interests are

United Community Services, having served as Budget Chairman and President; also Madame Vanier Children's Services. He is a member of the Board of Westminster College.



distribution of assets

DECEMBER 31, 1967

(with comparative amounts for the year ended December 31, 1966)

			% to Total Assets 1967	1966	% to Total Assets 1966
MORTGAGES AND AGREEMENTS OF SALE.....		\$30,822,460	37.65	\$29,267,951	37.90
BONDS					
Dominion & Dom. Guaranteed.....	\$ 2,476,347				
Provincial	6,120,974				
United States Government.....	<u>359,437</u>	8,956,758	10.94	8,980,204	11.63
Municipals		2,611,364	3.19	2,747,205	3.56
Public Utilities	7,613,804				
Transportation	805,968				
Industrial and Miscellaneous.....	<u>20,593,122</u>	29,012,894	35.45	26,638,917	34.50
STOCKS					
Preferred	737,354				
Common	<u>1,221,848</u>	1,959,202	2.39	1,291,485	1.67
LOANS ON POLICIES.....		4,512,410	5.51	4,129,671	5.35
CASH		259,104	.32	547,588	.71
REAL ESTATE		2,414,337	2.95	2,370,916	3.07
ACCRUED INTEREST		850,406	1.04	787,005	1.02
PREMIUMS IN COURSE OF COLLECTION.....		<u>461,587</u>	<u>.56</u>	<u>455,234</u>	<u>.59</u>
		<u><u>\$81,860,522</u></u>	<u>100.00</u>	<u><u>\$77,216,176</u></u>	<u>100.00</u>

company officers

H. LINDEN SHARPE, F.S.A., F.C.I.A.
President and Managing Director

G. HORROCKS, F.S.A., F.C.I.A.
Vice-President and Chief Actuary

M. O'BRIEN, C.L.U.
Vice-President and Director of Agencies

R. M. IVEY, Q.C.
Vice-President - General Counsel

L. F. STEVENS, F.C.A.
Vice-President - Finance

ACTUARIAL

A. A. CAPITANO, F.S.A., F.C.I.A.
Actuary

S. S. CHAN, A.S.A.
Assistant Actuary

AGENCY

G. L. BOWIE
Superintendent of Agencies

J. D. BROOKS
Superintendent of Agencies

P. C. FINN, C.L.U.
Superintendent of Agencies

J. HEMPSEED
Superintendent of Agencies

J. G. POLLOCK, C.L.U.
Superintendent of Agencies

C. H. BASTLA, F.C.I.S.
Agency Secretary

ADMINISTRATION

J. W. HUTTON, F.S.A., F.C.I.A.
Director of Systems & Planning

E. R. WALTERS
Secretary

J. B. LUTMAN, F.L.M.I.
Superintendent of
Electronic Data Processing

L. A. PARE, C.A.
Comptroller
E. MACKAY
Assistant Secretary

INVESTMENT

D. J. GRANT
Treasurer

E. D. PATTEN
Superintendent of Mortgages

UNDERWRITING & MEDICAL

A. L. MANNESS
Underwriting Executive

F. S. BRIEN, M.B., F.R.C.P. (c)
Medical Director